

RECEIVED: 05/17/22	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2215445383
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Chevron U.S.A. Inc. **OGRID Number:** 4323
Well Name: CO Grizzly 34 27 Fed Com 407H **API:** 30-025-49721
Pool: WC-025 G-07 S243225C; LWR Bone Spring, WC-025 G-06 S253209L; Bone Spring **Pool Code:** 97964, 96715

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL

☐ NSP (PROJECT AREA)

☐ NSP (PRORATION UNIT)

☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC

☐ CTB

☐ PLC

☐ PC

☐ OLS

☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX

☐ PMX

☐ SWD

☐ IPI

☐ EOR

☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

A. ☒ Offset operators or lease holders

B. ☐ Royalty, overriding royalty owners, revenue owners

C. ☐ Application requires published notice

D. ☐ Notification and/or concurrent approval by SLO

E. ☒ Notification and/or concurrent approval by BLM

F. ☐ Surface owner

G. ☒ For all of the above, proof of notification or publication is attached, and/or,

H. ☐ No notice required

FOR OCD ONLY

☐ Notice Complete

☐ Application
Content
Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

5/17/2022

Date

Adam G. Rankin

Print or Type Name

505-954-7294

Phone Number

Signature

AGRankin@hollandhart.com

e-mail Address



Adam G. Rankin
Phone (505) 954-7294
AGRankin@hollandhart.com

May 17, 2022

VIA ONLINE FILING

Adrienne Sandoval
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

**Re: Chevron U.S.A. Inc.
Request for Administrative Approval of Unorthodox Well Location**

CO Grizzly 34 27 Fed Com 407H well
E/2 of Sections 27 and 34, T24S, R32E
Lea County, New Mexico
As to the E/2 of Sec. 27: WC-025 G-07 S243225C; LWR Bone Spring pool [97964]
As to the E/2 of Sec. 34: WC-025 G-06 S253209L; Bone Spring pool [96715]
API No. 30-025-49721

Dear Ms. Sandoval:

Chevron U.S.A. Inc. (OGRID No. 4323), pursuant to Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC and applicable rules governing acreage and well location requirements for the WC-025 G-07 S243225C; LWR Bone Spring pool [97964] and WC-025 G-06 S253209L; Bone Spring pool [96715], seeks administrative approval of an unorthodox well location for its **CO Grizzly 34 27 Fed Com 407H well** (API No. 30-025-49721), in a 640-acre, more or less, spacing unit underlying the E/2 of Sections 27 and 34, T24S, R32E, Lea County, New Mexico.

The proposed location is as follows:

- Surface location: 192' FNL and 1700' FEL (Unit B) of Section 3
- Bottom hole location: 25' FNL and 2310' FEL (Unit B) of Section 27
- First take point: 25' FSL and 2310' FEL (Unit O) of Section 34
- Last take point: 100' FNL and 2310' FEL (Unit B) of Section 27

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is closer than the standard offsets to the southern boundary of the spacing unit – thus encroaching on the N/2NE/4 of Section 3, T25S, R32E. Approval of the unorthodox, completed interval will allow Chevron to use its preferred well spacing plan for horizontal wells in this area, which will maximize recovery and prevent waste.

Exhibit A are Form C-102s showing the proposed CO Grizzly 34 27 Fed Com 407H well encroaches on the spacing unit/tracts to the south in the N/2NE/4 of Section 3, T25S, R32E.

Exhibit B is a plat showing the proposed CO Grizzly 34 27 Fed Com 407H well in relation to adjoining spacing unit/tracts to the south. Exhibit B also identifies the ownership of the affected spacing unit, showing that it is owned by Chevron U.S.A. Inc. as 100% working interest owner. In addition, the exhibit identifies that these are BLM leases. Accordingly, the "affected persons"¹ are the applicant, Chevron U.S.A. Inc., and the United States Bureau of Land Management.

Exhibit C is a spreadsheet listing all affected persons and includes tracking information demonstrating that each of the affected persons was sent a copy of this application with all attachments by certified mail advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application. The following are the affected persons:

Type	Affected Party	Location
Operator/ Working Interest	Chevron U.S.A. Inc.	N/2NE/4 of Section 3
Federal/State Mineral Interest	United States Bureau of Land Management	N/2NE/4 of Section 3

Your attention to this matter is appreciated.

Sincerely,



Adam G. Rankin
ATTORNEY FOR
CHEVRON U.S.A. INC.

¹ See NMAC §§ 19.15.2.7.A(8) [defining "affected persons" as, "in the absence of an operator, or with respect to an application wherein the operator of the spacing unit or identified tract is the applicant, each working interest owner"] and 19.15.4.12.A(2)(a).

EXHIBIT A

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 97964	³ Pool Name WC-025 G-07 S243225C;LWR BONE SPRING
⁴ Property Code	⁵ Property Name CO GRIZZLY 34 27 FED COM	⁶ Well Number 407H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3503'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	3	25 SOUTH	32 EAST, N.M.P.M.		192'	NORTH	1700'	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	27	24 SOUTH	32 EAST, N.M.P.M.		25'	NORTH	2310'	EAST	LEA
¹² Dedicated Acres 320	¹³ Joint or Infill Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>CO GRIZZLY 34 27 FED COM 407H WELL</p> <p>X= 708,659 Y= 424,815 LAT. 32.166138° N LONG. 103.659015° W NAD 27</p> <p>X= 749,845 Y= 424,874 LAT. 32.166261° N LONG. 103.659492° W NAD83/2011</p> <p>ELEVATION +3503' NAVD 88</p> <p>PROPOSED FIRST TAKE POINT</p> <p>X= 708,052 Y= 425,027 LAT. 32.166729° N LONG. 103.660975° W NAD 27</p> <p>X= 749,237 Y= 425,085 LAT. 32.166852° N LONG. 103.661452° W NAD83/2011</p> <p>PROPOSED LAST TAKE POINT</p> <p>X= 707,989 Y= 435,459 LAT. 32.195406° N LONG. 103.660968° W NAD 27</p> <p>X= 749,173 Y= 435,517 LAT. 32.195530° N LONG. 103.661447° W NAD83/2011</p> <p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 707,988 Y= 435,534 LAT. 32.195612° N LONG. 103.660968° W NAD 27</p> <p>X= 749,173 Y= 435,592 LAT. 32.195736° N LONG. 103.661447° W NAD83/2011</p>	<p>16</p> <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>11/03/2020 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number _____</p>
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CORNER COORDINATES TABLE (NAD 27)

A - X=705011.33, Y=435530.36
B - X=707654.57, Y=435555.75
C - X=708976.20, Y=435568.44
D - X=710297.82, Y=435581.13
E - X=705046.53, Y=430251.61
F - X=707688.13, Y=430277.09
G - X=709008.93, Y=430289.83
H - X=710329.72, Y=430302.57
I - X=705081.74, Y=424972.86
J - X=707721.68, Y=424998.44
K - X=709041.66, Y=425011.22
L - X=710361.63, Y=425024.01

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District IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 96715	³ Pool Name WC-025 G-06 S253209L; BONE SPRING
⁴ Property Code	⁵ Property Name CO GRIZZLY 34 27 FED COM	⁶ Well Number 407H
⁷ OGRID No. 4323	⁸ Operator Name CHEVRON U.S.A. INC.	⁹ Elevation 3503'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320	¹³ Joint or Infill Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>CO GRIZZLY 34 27 FED COM 407H WELL</p> <p>X= 708,659 Y= 424,815 LAT. 32.166138° N LONG. 103.659015° W NAD 27</p> <p>X= 749,845 Y= 424,874 LAT. 32.166261° N LONG. 103.659492° W NAD83/2011</p> <p>ELEVATION +3503' NAVD 88</p> <p>PROPOSED FIRST TAKE POINT</p> <p>X= 708,052 Y= 425,027 LAT. 32.166729° N LONG. 103.660975° W NAD 27</p> <p>X= 749,237 Y= 425,085 LAT. 32.166852° N LONG. 103.661452° W NAD83/2011</p> <p>PROPOSED LAST TAKE POINT</p> <p>X= 707,989 Y= 435,459 LAT. 32.195406° N LONG. 103.660968° W NAD 27</p> <p>X= 749,173 Y= 435,517 LAT. 32.195530° N LONG. 103.661447° W NAD83/2011</p> <p>PROPOSED BOTTOM HOLE LOCATION</p> <p>X= 707,988 Y= 435,534 LAT. 32.195612° N LONG. 103.660968° W NAD 27</p> <p>X= 749,173 Y= 435,592 LAT. 32.195736° N LONG. 103.661447° W NAD83/2011</p>	<p>16</p> <p>Proposed Last Take Point 100' FNL, 2310' FEL</p> <p>2310'</p> <p>27</p> <p>34</p> <p>3</p> <p>192'</p> <p>1700'</p> <p>N 00°20'47" W 10,507.51'</p> <p>N 70°50'43" W 643.51'</p> <p>Proposed First Take Point 25' FSL, 2310' FEL</p> <p>T24S-R32E T25S-R32E</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>11/03/2020 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>ROBERT L. LASTRAPES NEW MEXICO 23006 04/18/2022 PROFESSIONAL SURVEYOR</p> <p>Certificate Number _____</p>
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CORNER COORDINATES TABLE (NAD 27)

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J - X=707721.68, Y=424998.44
K - X=709041.66, Y=425011.22
L - X=710361.63, Y=425024.01

Offset Operators or WI Owners

CO Grizzly 34 27 Fed Com 407H Well

Offsetting Tract

Chevron U.S.A. Inc.
1400 Smith St.
Houston, TX 77002

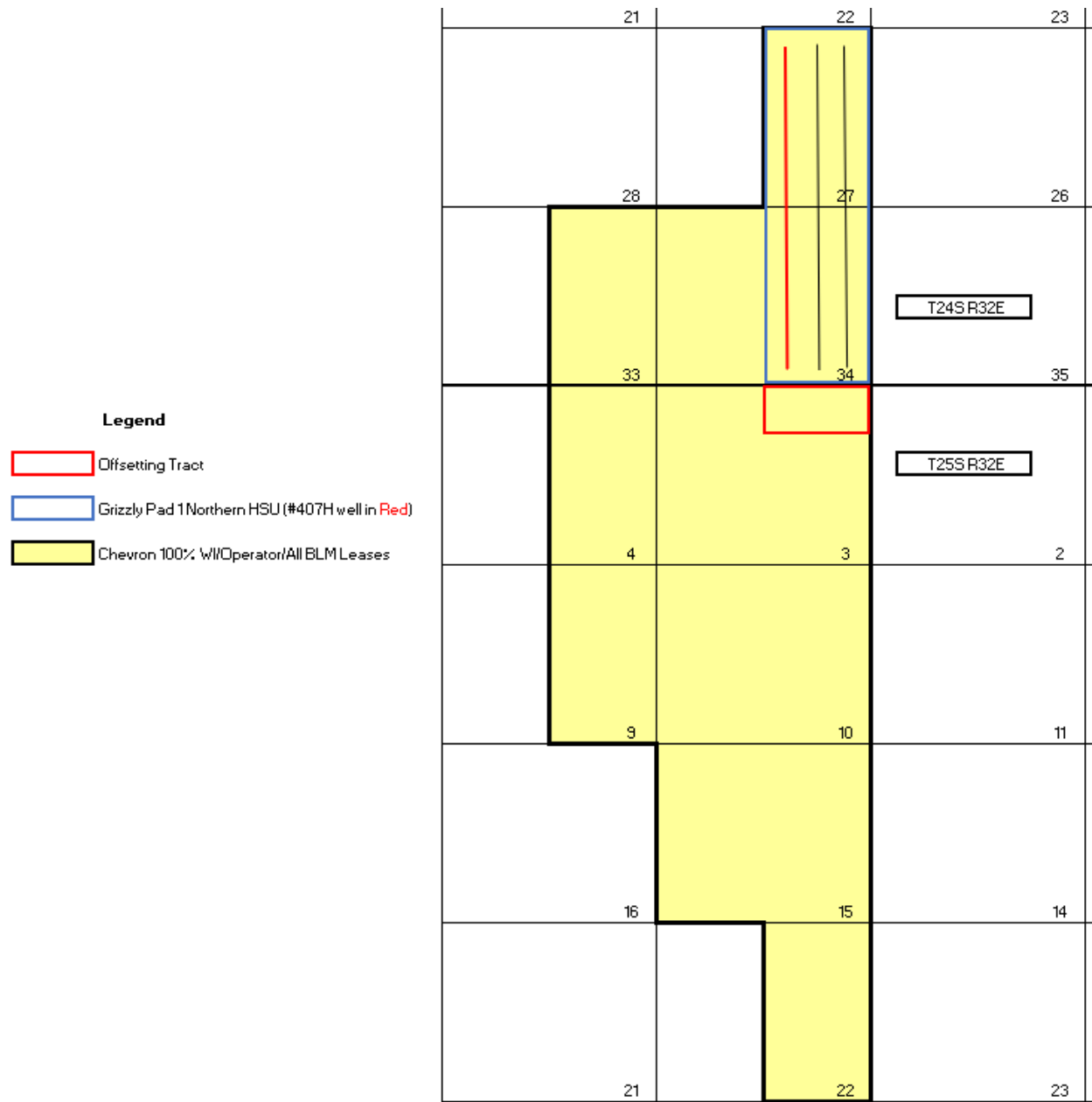


EXHIBIT B

ADDR1	ADDR2	ADDR3	ADDR4	ADDR5	ADDR6
United States Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508	
United States Bureau of Land Management	620 E Greene St.	Carlsbad	NM	88220	

EXHIBIT C



Adam G. Rankin
Phone (505) 954-7294
AGRankin@hollandhart.com

May 11, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

Re: Chevron U.S.A. Inc.
Request for Administrative Approval of Unorthodox Well Location

CO Grizzly 34 27 Fed Com 407H well
E/2 of Sections 27 and 34, T24S, R32E
Lea County, New Mexico
As to the E/2 of Sec. 27: WC-025 G-07 S243225C; LWR Bone Spring pool [97964]
As to the E/2 of Sec. 34: WC-025 G-06 S253209L; Bone Spring pool [96715]
API No. 30-025-49721

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Kevin Stubbs
Chevron U.S.A. Inc.
(713) 372-9914
KevinStubbs@chevron.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Adam G. Rankin".

Adam G. Rankin
ATTORNEY FOR
CHEVRON U.S.A. INC.

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

MANIFEST - 72375 - Chevron - Grizzly 407H-409H, 416h-418h, CO Viper 401H-403H

Parent ID	Mail Date	Name	Address	City	ST	Zip	MailClass	TrackingNo	Well
31309	05/11/2022	United States Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	9414811898765879035898	72375 - Chevron - Grizzly 407H-409H, 416h-418h, CO Viper 401H-403H NSL notice list - 1
31309	05/11/2022	United States Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Certified with Return Receipt (Signature)	9414811898765879035881	72375 - Chevron - Grizzly 407H-409H, 416h-418h, CO Viper 401H-403H NSL notice list - 2

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Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 107516

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 107516
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	NSL - 8373 is approved. The approved Order can be retrieved at the following OCD: website. https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx	6/3/2022